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21 OCT 1988

MEMORANDUM FOR: Comptroller

VIA: Acting Deputy Director for Administration

25X1 FROM:

[REDACTED]  
Acting Director of Logistics25X1 SUBJECT: Comments on Draft Office of Management and  
Budget Letter Regarding [REDACTED]

1. It should be brought to the attention of Office of Management and Budget (OMB) that the Agency's plans for expansion of [REDACTED] to its full potential have not been done in secret. An A-104 study was performed and forwarded to OMB in November 1986. This study specifically identified additional development to raise the usable space at [REDACTED] square feet. We assumed that this study was shared with the cognizant OMB examiner for General Services Administration (GSA).

2. An extremely lengthy and detailed investigation of Central Intelligence Agency (CIA) practices, procedures, authorities, and Washington Metropolitan Area plans and requirements was performed by the Surveys and Investigations Staff of the House Appropriations Committee during the October 1986 to March 1987 time frame. This study clearly a knowledge CIA's intention to expand the [REDACTED] site to its full capacity. It is again assumed that members and staff cognizant of GSA appropriations were also aware of CIA plans [REDACTED]

ALL PORTIONS SECRET


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3. In December 1985, Mr. Fitzwater, the Deputy Director for Administration (DDA) at that time, sent a letter to Mr. Golden, the Administrator of GSA at that time, which reiterated CIA authorities but nevertheless sought a delegation from GSA to lease additional space in Northern Virginia. Although the [REDACTED] was not specifically mentioned in writing, it is our understanding that verbal discussions between Mr. Fitzwater and Mr. Golden evolved around the [REDACTED] site and our ultimate plans for further development. The basis for the delegation from GSA was that "the proposed facility would be wholly used for the special purposes of the CIA and will not be generally suitable for the use of other agencies," which applies to future site development as well as the existing buildings.


4. For the past several years, the CIA has included an initiative for expansion [REDACTED] in its Congressional Budget Justification Book (CBJB). Despite an intensive review process, neither the Senate Select Committee on Intelligence (SSCI), the House Permanent Select Committee on Intelligence (HPSCI), nor the appropriations committees questioned the CIA's authority regarding site development. In August 1987, Senators Boren and Cohen of the SSCI approved, subject to certain constraints, the CIA consolidation [REDACTED] and the CIA leasing of the facility. The HPSCI and both appropriations committees also granted approval for the CIA to directly develop the [REDACTED] site, subject to the SSCI constraints.

5. In view of the foregoing, this Office believes that CIA has full authority and approval to proceed with the [REDACTED] expansion. We also believe that, through the budget process, OMB, the oversight committees, and the appropriations committees have all approved our development program. The developer is planning to formally submit site development plans to county and civic review boards on 1 November 1988. To defer this activity for another six months until April 1989 is untenable and would create unnecessary costly delays. While it may be prudent to investigate, with GSA, the availability of the Federal Buildings Funds in regard to the exercise of some future purchase option, no purpose would be served to do so at this time.

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6. OMB's response should be restricted to the specific issue raised by the SSCI; namely, should the CIA continue to budget for contributions to the Federal Building Fund, when construction, operation, and maintenance of Agency facilities are supported directly by Intelligence appropriations.

7. It is requested that OMB be made aware of the above cited approvals and that the attached OMB draft letter be rejected. The OMB response to the SSCI markup of the FY 1989 Intelligence Authorization Bill should be as summarized above.

25X1  
  
Attachment 

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25X1 [REDACTED] (18 October 1988)

Distribution:

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